WORLD WHEAT SITUATION AND OUTLOOK

Year-to-Year Changes: World wheat trade in 2003/04 is forecast at 96.1 million tons, down 10.3 million tons from 2002/03. Global production is down 13.7 million tons with global consumption down 13.3 million tons. Since consumption is still forecast to exceed production, global stocks are expected to fall by 33.5 million tons to 130.6 million, the lowest level in 20 years.

Changes from Last Month: Global wheat trade in 2003/04 is forecast down 1.6 million tons from last month. Global production is down 11.0 million tons with production in Eastern Europe forecast at a 30-year low. Crop expectations are also revised downward in Canada, the European Union, South Africa, and Ukraine. Global consumption is forecast down 1.3 million tons due to dropping production and rising prices. World ending stocks are down 9.7 million tons.

Price: Early August export quotes for #2 HRW FOB Gulf averaged $146/MT, up $19 from last month.

2003/2004 Trade Changes

Selected Exporters

- **United States** up 2.0 million tons to 28.5 million due to reduced competition, especially from the EU.

- **Canada** down 1.0 million tons to 14.5 million as lower forecast production decreases exportable supplies.

- **EU** down 3.5 million tons to a record low of 10.5 million due to falling production and rising internal market prices.

- **Russia** up 1.5 million tons to 3.5 million due to stronger demand in Eastern Europe and Ukraine.

Selected Importers

- **Brazil** down 500,000 tons to a 7-year low of 6.0 million due to larger expected production.

- **China** down 500,000 tons to 1.0 million due to rising world prices.

- **Eastern Europe** up 1.2 million tons to 4.1 million due to the smallest crop in 30 years.

- **EU** down 1.0 million tons to 4.0 million due to tightening global supplies and higher prices.

- **Iran** down 1.0 million tons to 2.0 million due to a larger expected crop.

- **South Africa** up 400,000 tons to 1.0 million as dry conditions reduce crop prospects.

- **Ukraine** up 700,000 tons to 2.2 million as low production is expected to result in large imports from Russia and Kazakstan.

- **United States** down 300,000 tons to 2.4 million due to lower expected imports from Canada.

2002/2003 Trade Changes

Selected Exporters

- **United States** down 500,000 tons to 23.0 million because of less-than-expected late-season shipments.

- **Canada** up 700,000 tons to 9.2 million due to a stronger-than-expected export pace.

Selected Importers

- **Algeria** up 300,00 tons to 5.1 million due to a stronger-than-expected import pace.

- **EU** up 1.0 million tons to 12.0 million based on larger-than-expected late-season shipments.

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